



STATE OF DELAWARE

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December 6, 2018

MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Shona Marshall, Public Utility Analyst 

SUBJECT: IN THE MATTER OF THE APPLICATION OF ELITE ENERGY GROUP INC. FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED MAY 8, 2018; FILED NOVEMBER 5, 2018) - PSC DOCKET No. 18-0306

Background

On May 8, 2018, Elite Energy Group Inc. (the "Company") submitted an application (the "Application") with the Delaware Public Service Commission (the "Commission") for an Electric Supplier Certificate ("ESC") to broker electricity in the State of Delaware pursuant to § 1012 of the Electric Utility Restructuring Act of 1999, 26 *Del. C.* §§ 1001 - 1020 (the "Act") and 26 *Del. Admin. C.* § 3001, the Commission's Rules for Certification and Regulation of Electric Suppliers (the "Supplier Rules").¹

Application

The Company's original filing was submitted on May 8, 2018, but the submitted Application was deficient in meeting the minimum filing requirements ("MFR's"). In a letter dated May 11, 2018, Commission Staff ("Staff") requested the Company provide information related to certifications issued by the state of formation, compliance with PJM, and its retail experience. Staff also sent this notice on June 13, 2018 when the requested response period passed without a supplemental filing. This request also did not receive a response. Upon receipt of Staff's third deficiency letter dated July 24, 2018, the Company submitted a supplemental filing in response on August 10, 2018. The filing did not meet the minimum filing requirements. Staff submitted a final deficiency letter dated October 11, 2018. The Company's response received November 5, 2018 satisfied the requirements of the MFR's.

Review and Analysis

Authority to do Business in Delaware

The Company was incorporated in the state of New York. The Company provided proof issued by the Delaware Secretary of State that it is legally authorized and qualified to do business in the State of

¹ Unless otherwise noted, all references to capitalized terms are set forth in the Act and/or the Supplier Rules.

Delaware. The Delaware Certificate of Good Standing was issued May 2, 2018. The Delaware business license was issued April 25, 2018 and is valid from July 1, 2018 through December 31, 2018.

Resident Agent

The Company supplied the contact information for a Delaware Registered Agent listed in the Application as Jim Kallenberg located at 913 N. Market Street, Suite 200, Wilmington, DE 19801.

Compliance with Regional Requirements

The Company agreed to only work with an entity that complies with PJM's requirements and is a certified electric supplier in Delaware.

Financial, Operational, Managerial and Technical Ability

The Company submitted a Balance Sheet as of December 31, 2017 and a Profit and Loss Statement for the period of January 2017 through December 2017 as indicia of financial capability under Section 2.2.16.2 of the Supplier Rules in its initial Application. Staff has reviewed the financial statements and the Company has satisfied the requirements of the Supplier Rules for purposes of brokering electric supply services in the State of Delaware.

The Company anticipates serving Large Commercial and Industrial customers throughout the State of Delaware. The Company is authorized to broker services in the following jurisdictions: Connecticut, Maryland, Massachusetts, New Jersey, New York, Ohio, and Pennsylvania.

The Application included a summary of experience and qualifications for its officers. Peter Johnston is the President of Elite Energy Group Inc. and has held this position since 2011. He has ten years of experience in the energy industry and twenty four years of managerial experience. Albert Sasson has been the Vice President and Managing Partner since 2011. Mr. Sasson possesses ten years of energy experience and twenty four years of managerial experience.

Surety Bond

The Company did not post a surety bond because there are no service agreements between the Company and any Delaware Electric Distribution Company.

Verification of Application

The Application and subsequent filings to the Application contained a signed sworn verification of application with the signature of Peter Johnston.

Consent to Jurisdiction

The Company consents to the jurisdiction of the Delaware courts.

Contracts

The Company has not submitted copies of customer contracts because it will operate as a broker. The Company did not submit marketing materials intended to be used in the state of Delaware because Elite Energy Group Inc. will not be serving residential or small commercial customers.

Statement of Criminal Activity

The Applicant stated that it has not been charged or convicted of any criminal activity nor have any of its principals or corporation offices. An internet review of the Company and its principals did not return any incidents of criminal activity.

Waivers

The Applicant has applied for a waiver of the certification requirements of Section 2.2.19.3.4 of the Supplier Rules pertaining to Commission Orders for each state the Company does business in. According to the Company, the states of New York and Connecticut do not provide Commission Orders for entities who broker electricity.

Legal Review

Staff submitted this Memo for review by the Attorney on December 6, 2018.

Staff Recommendation

Based on Staff's review and analysis of the Application, the Company has satisfied the requirements of the Act and the Supplier Rules. The completed Application supports the Company's request for certification. Staff's review and analysis of the Application demonstrates substantial evidence of capability to render service based on the Company's financial, operational, managerial and technical abilities. Therefore, Staff recommends the Commission approve the Application.